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[Signature]
26 February 1948

SUBJECT: HIAWATHA

[Signature] TO : CHOB

FROM : *[Signature]* *[Signature]*

1. In reply to your memo dated 16 Feb 48 concerning subject, this is to inform you that I was not aware of the existence of certain background information on this character at HQ.
2. After looking over the dossier, particularly the FBI information, I agree that there is some doubt as to whether subject is not too nationalistic a German for an FR operation. However, my interest being primarily SC, I believe that subject could be usefully employed in combatting either communist or Russian infiltration attempts into the Bizonal Agencies. As a matter of fact, should the FBI information be correct, it could probably be used as a tool of pressure in case of difficulties with subject. I don't believe that agents working under duress are the most desirable type but used as an additional element of control, the FBI information may have its value even if never actually employed.
3. I did not intend to use subject for penetration of the Central Administration for Interzonal and Foreign Trade proper, but rather want him to report the activities of the CA's representatives at the Bizonal Agencies. There is, for instance, a fully accredited representative of the CA at Hoechst, Hospitalstrasse 13a. He is one Hans Joachim SCHACHT and was formerly the CA's representative in Minden. A British report, quoted in MCH-A-1918, stated that SCHACHT had recommendations to the local KP and that his task would probably include recruiting of trained economists as agents who will then report to Berlin.
4. If subject can safely pass his denazification and land a job in the press section of the Bizonal Agencies he would be in a fine position to cover the above target and similar ones.
5. As you suggested, I shall bring this matter up at our discussion.

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